



**STATE OF ALABAMA**  
ALABAMA PUBLIC SERVICE COMMISSION  
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August 24, 2012

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SECRETARY

Mr. Jeffrey D. Wiese  
Associate Administrator for Pipeline Safety  
U.S. Department of Transportation  
Pipeline and Hazardous Materials Safety Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590

RE: Request from PHMSA Administrator Quarterman on Cast Iron Replacement

Dear Mr. Wiese:

Our office recently received the letter that Pipeline and Hazardous Materials Safety Administration (PHMSA) Administrator Cynthia L. Quarterman addressed to Alabama Governor Robert Bentley and other governors across the country requesting information from the separate states as to what actions they were taking to address their aging infrastructure in natural gas distribution systems under their respective jurisdictions. I understand that PHMSA desires a response from each state so that those responses can be placed on PHMSA's public website for all interested stakeholders to access. The Alabama Public Service Commission (the "Commission"), Gas Pipeline Safety Section ("Gas Pipeline Safety") has jurisdiction over all safety aspects of the intrastate gas system operators in Alabama and is pleased to supply you with the information requested.

Although Alabama is considered by PHMSA to be an "at-risk" state in that we still have over 1,400 miles of cast iron pipe in use, we are forever vigilant in our efforts to see that cast iron pipe is removed in a safe and timely manner. Gas Pipeline Safety has recently conducted a survey of the 26 operators that have cast iron mains still in service in Alabama. Twelve of the operators have shown no decrease in their cast iron infrastructure over the last four years (these operators comprise 177 of the 1471 total miles in the state and are all municipally-owned systems.). Eight of the operators have shown consistent reductions in their cast iron pipe over the last four years, averaging over 8% each year in replacements. These operators comprise the largest segments of cast iron pipe remaining in the state with over 1270 miles still to be replaced. The remaining six operators have made significant progress over the last four years and have a total of only 28 miles of cast iron mains remaining in their distribution systems. Three operators have managed to completely eliminate cast iron pipe from their systems over the last four years.

Several factors have affected cast iron pipe replacement projects for all of our operators. The current state of the economy, the warm winters over the last several years that have reduced revenues and the congested nature of the locations where most of the replacement work must take place are among the major drivers that have inhibited cast iron replacement initiatives.

In an effort to stress the importance of cast iron pipe replacement, the Alabama Public Service Commission has requested that those operators in Alabama who have not completed any cast iron pipe

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replacements within the last four years advise the Commission as to: 1) when they will begin cast iron replacement projects, 2) how many miles they expect to replace each year, and 3) a realistic estimate of when the Commission can expect the replacements to be completed. We are also addressing the cast iron replacement issue with the remaining operators who have replaced cast iron facilities in the last four years in an effort to expedite their cast iron replacement initiatives.

Gas Pipeline Safety is also working closely with Alabama811 (the statewide One-Call program) and the Alabama Damage Prevention Alliance (a statewide group of stakeholders) to improve the quality of the state's damage prevention program. We feel that improvement of the damage prevention efforts within the state will aid in reducing the number of incidents involving cast iron mains. Gas Pipeline Safety held five meetings this past year to educate stakeholders on the current status of Alabama's damage prevention programs and to solicit input on what changes need to be made to the system. Although no changes were made during the past legislative session, plans are now being made to submit proposed revisions to the current law to address the inadequacies that currently exist. Additional meetings that are tentatively scheduled for later this year will also aid in getting a consensus opinion on what changes should, or should not, be made.

Alabama has always made every effort to inspect every gas system operator within the state on an annual basis. Our Gas Pipeline Safety staff will strive to continue to achieve that goal each year. These inspections will cover all facets of the Minimum Federal Safety Standards, set forth in 49 CFR Parts 190-199, including additional inspections that have been added over the last several years (Integrity Management Program (IMP), Public Awareness, Distribution Integrity Management Programs (DIMP) and Control Room Management (CRM)). By continuing this regulatory presence with the operators, we will be strongly positioned to monitor the results of cast iron replacement and damage prevention initiatives.

Thank you for the opportunity to provide this information to your office. We look forward to continuing a cooperative working relationship with PHMSA for purposes of ensuring pipeline safety within the State of Alabama.

Sincerely,



Lucy Baxley, President  
Alabama Public Service Commission

WRJsr:fw

cc: The Honorable Cynthia L. Quarterman, PHMSA Administrator  
The Honorable Robert Bentley, Governor of Alabama  
The Honorable Twinkle A. Cavanaugh, Commissioner  
The Honorable Terry L. Dunn, Commissioner  
The Honorable John A. Garner, Esquire, APSC Executive Director  
Ms. Janice M. Hamilton, Energy Division Director  
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